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ON PAGE A-8

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Study Reported Shelved

By RALPH BLUMENTHAL

The State Department investigator whose 1947 report said the Vatican had assisted in the escape of Nazis may have unwittingly stumbled onto American intelligence operations that were making use of the very people he was investigating, according to Government documents and former officials.

As a result, the sources say, the report by the investigator, Vincent La Vista, appears to have been ultimately shelved without the wider investigation he recommended. However, documents show that American diplomats took up aspects of his report with an envoy of Pope Pius XII and with officials of the International Committee of the Red Cross. Both promised to look into the matter, records show.

In the report, Mr. La Vista called the Vatican "the largest single organization involved in the illegal movement of emigrants." He said that the Vatican had brought pressure on Latin American countries to take in Nazis and that "the justification of the Vatican for its participation in this illegal traffic is simply propagation of the faith."

Allegations Were Denied

Two church historians, the Rev. Robert Graham and the Rev. Pierre Blet, dismissed the allegations in the report as "nothing but air" and "artificial and false." Father Blet also questioned accounts that Walter Rauff, a former Nazi official said to have developed the mobile death vans, had been given refuge in church convents before escaping to Chile, where his extradition is again being sought.

A Vatican spokesman, the Rev. Romeo Panciroli, called the statements of the historians "a sufficiently clear reply" to the issue and the Vatican indicated that the statements constituted its official reply.

Mr. La Vista, a lawyer, worked at the beginning of World War II as an investigator for the Army Air Forces and in 1945 was assigned to the embassy in Rome under the Division of Foreign Activity Correlation, a State Department intelligence office. He was assigned to trace looted Nazi wealth in a secret operation code-named "Safehaven" and he also headed the American team that studied and microfilmed the

seized archives of Benito Mussolini. Mr. La Vista died in Arlington, Va., in 1951 at the age of 44.

John Loftus, a former member of the Justice Department's Office of Special Investigations dealing with war criminals, said he had no doubt that the La Vista report was shelved to preserve the secrecy of intelligence links.

Mr. Loftus, a Boston lawyer who has written a book charging that Byelorussian Nazis were smuggled into the United States, also said that, according to documents he had seen, American intelligence had gone to the Vatican for help in arranging the escape of Nazis working for the Americans.

As evidence that Mr. La Vista had run across intelligence operations, Mr. Loftus cited the case of Ferenc Vajta, the Hungarian Nazi.

In his report, Mr. La Vista said:

"The Hungarian Communists are also trying to hunt down the Hungarian fascist, Vajta, Ferenc, who, so their propaganda says, is living in great state at the Grand Hotel Rome, under the very eyes of the Anglo-American authorities. However, Vajta is not at the Grand Hotel, but, according to fairly reliable sources, in one of the many monasteries in the Rome area."

In December 1947, half a year later, Mr. Vajta, who had been an aide to Ferenc Szalasi, the executed Hungarian Nazi leader, was discovered living in New York. A Congressional inquiry determined that he had entered the United States on a diplomatic visa issued by the American consul in Madrid.

Another State Department document obtained by Mr. Loftus indicates American concern about illegal emigration of Nazis to Latin America and the possible role of the Vatican.

On Sept. 5, 1947, W. N. Walmsley Jr., counselor for economic affairs in the American Embassy in Rome, sent Washington a followup on the La Vista report in the form of a secret memorandum of July 16, 1947, prepared by the American Embassy in Buenos Aires.

The Buenos Aires memorandum cited an Istituto di Snt. Jeronimus a Via Tomacelli 132 in Rome that the La Vista report gave as the address for a Vatican Croatian relief organization "engaging in or suspected of engaging in illegal emigration." The memorandum called the institute the headquarters of a clandestine movement of Yugoslav Ustaschi war criminals from Italy to Argentina. The memorandum stated: "It would appear that necessary sums come from Vatican circles, who had previously actively supported this organization in 1923-1941. Membership of 'Ustascha' and Catholic religion are compulsory for help and assistance in leaving Italy."

The memorandum listed several Croatians and a Frenchman — Drago Krenzler, Juan Percevic, Dr. F. Todt, and Marquis Eric de Surville — who it said arrived in this manner in Argentina by ship from Italy.